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5. The excavation of a new coal shaft near Sian started on August 24, 1955, and is expected to be completed in 1958. It will become part of the Tungchwan coal mines.

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2. Kansu.

The most important industrial project in Kansu is perhaps the Yümen Oil Field. Since the Communists took over, extensive reconstruction work has been carried out in this major oil center of China with the help of experts from the Soviet Union, Czechoslovakia, Rumania and East Germany. The Communists boasted that production has increased many fold. If [433] the index of production in 1950 was 100, that in 1951 was 140, and 1954 was 430. In 1955, they planned to produce thirty percent more crude oil than in 1954, and capital investment allocated for the sinking of new wells was twenty-five percent more than in 1954. Latest record of drilling is 234.3 meters in one day, and products include petroleum, kerosene, lubricating oil, diesel oils, tar and paraffin wax. The total output has never been revealed, but it is known that more than five thousand workers are employed.

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The Communists have also paid attention to the development of industrial production in Kansu in general. In 1955, twenty-one state-owned or semi-state-owned factories and mines were built or renovated, and all of them are in operation. The [377] more important ones are as follows: (1) a power plant in Lanchou, [258] which increased the supply of electric power by fifty percent; (2) six oil-extracting plants in Kuting and Wuwei, which, when [316] fully completed, will increase the production of vegetable oil in Kansu nearly two hundred percent; and (3) five small coal mines, which increased the coal production by 88.2 percent over 1954.

[316] It was reported on April 4, 1953, that one of the country's largest copper deposits was found in Kansu, the Pai-yin-ch'ang copper mine, which they planned to develop under the first Five Year Plan as one of the major industrial projects in that • [382] area. There is also a report that a refinery has been built in Lanchou. But details on these developments are lacking.

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There are comparatively few industrial activities in Chinghai. However, with the development of the Chinghai-Tibet highway, the Communists are hopeful that rich oil and coal deposits may be found in the Tsaidam Basin. Tsaidam is one of the country's major areas scheduled for oil-prospecting in 1955, and drilling has already been started there. Besides, [491] mining of anthracite coal has begun in an undisclosed location in Chinghai, which was discovered by the builders of the Chinghai-Tibet highway in August 1953. Truck loads of the coal are now going regularly to Lhasa and other points along the new highway.

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*668 in understanding the long-run economic potential of this region,
489 it is equally true that there must have been some other reasons
433 forcing them to develop this remote region more swiftly than they might otherwise have done, investing in it sizable amounts of much needed capital backed by considerable forced labor. Other factors, both internal and external, should therefore be taken into consideration. In the first place, Communist China had made a tremendous effort to shift the center of its gravity from the coastal regions into these relatively empty lands bordering Soviet central Asia, perhaps partly as a result of the United Nations embargo and the Korean War. Secondly, the forced pace of development in the Northwest might be partly a defense measure. During the War in Korea it became clear how vulnerable Manchuria was to bombing attacks. Had the United Nations chosen to do so, most of Manchuria's industrial complexes could have been destroyed. But in the Northwest, factories, railways and mines were far
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[648] safer than anywhere else in China. Moreover, this area would assure maximum secrecy for projects which Red China and Russia were reported to have been jointly undertaking. ("I Saw Communist China" by Robert Guillain in the Saturday Evening Post, June 2, 1956, p. 114.)

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*668 Following on the heels of the railway construction work, a
433 huge oil refinery at Lanchou was built. It is also reported that
[382] between Lanchou and the site of the refinery, a road was con-
[491] structed more than twice as wide as Fifth Avenue in New York
N city, and a large hill thickly covered with houses was completely
[498] leveled to make the road straight. At Lanchou the railway yard under construction contained fifty kms. of tracks, with modern equipment such as turntables, grain silos, refrigerating plants and the like, all brought from Russia. Along the wide road, the beginning of what is called New Lanchou has arisen. In Sinkiang,
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668 a new city was born in Urumchi, where giant factories have been
432 built, including the Sinkiang Non-ferrous Metals Co., the Sin-
321 kiang Petroleum Co., the Sinkiang "August 1st" Iron and Steel
328 Plant, the Sinkiang Machinery Plant, the October Motor Car
382 Repair and Assembly Shop, the Urumchi Automatic Electric Plant,
39 and the like. This accomplishment in industrial construction and future plans of industrial development are indeed very much tied
[489] up with communications development.

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*668 Communist China may very well focus its principal attention
185 on the Northwest during the period of its second Five Year Plan
433 scheduled to begin in 1958, just as the first Five Year Plan con-
[648] centrated on the Northeast. The Northwest might then play a major role in the economic relations between China and Russia, and be industrialized to a level comparable with Manchuria.

It may therefore be concluded that so long as there are both internal and external pressures, and the "lean-to-one-side"